



Mr. Neoklis Sylikiotis
Minister
Ministry of Commerce, Industry and Tourism
6, Andreas Araouzos street
1421 Nicosia

5 October 2012

Dear Minister,

Competitiveness Council meeting on 10-11 October 2012

The current situation in Europe makes it absolutely crucial to enhance growth and job creation. BUSINESSEUROPE has proposed a five-step plan to do this. Europe can double the European Union growth rate to 2.5% if it takes the necessary decisions to safeguard the Euro, improve public finances as well as structural reforms, promote private investment, unleash the Single Market, and expand external trade.

The Competitiveness Council has a key role to play in developing this agenda. During your meeting on 10-11 October, you will discuss three important issues: the Single Market Act II, the Commission's new industrial policy communication, and Horizon 2020.

Through its 41 members' federation from 35 EU countries, BUSINESSEUROPE represents more than 20 million small, medium-sized and large European companies, employing some 120 million workers. The purpose of this letter is to draw your attention to the decisions we would like you to take as a result of these discussions.

Single Market Act II

The single market is one of the key elements to get the European Union out of the crisis. The Single Market Act II presented by the European Commission on 3 October contains important ingredients to improve the functioning of the single market and to support growth and job creation in Europe.

BUSINESSEUROPE supports the focus on the four drivers for growth identified by the Single Market Act II. Of course, the results will strongly depend on the details of the announced measures and how they are designed and implemented in practice.

To deliver on the full potential of the Single Market Act II, we encourage the Council and the other Institutions to commit to the inter-institutional partnership proposed by the Commission to fast-track the key legislative actions and ensure their adoption as a priority. At the same time, Member States should step up their efforts to make single market rules work better in practice and ensure that they are applied correctly throughout Europe.

You will find enclosed, BUSINESSEUROPE's recently published report "Single Market: the way forward", pointing out the remaining challenges that companies face in the Single Market.



Industrial policy

A strong and competitive European industry is a key condition to ensure recovery. For this reason, we welcome the publication of a new communication on industrial policy from the Commission and would like to stress four key elements which must be at the heart of its implementation.

Firstly, it is important to live up to smart regulation commitments and truly apply the promised competitiveness-proofing and fitness checks to all legislative proposals. Secondly, access to finance and capital market is fundamental to enable companies to drive growth and the recovery. Thirdly, fair, secure and uninterrupted access to raw materials is a key condition for competitiveness and the sustainability of European industry. Lastly, protection of intellectual property rights must not be undermined if Europe wants to boost the much needed new investments in research and innovation.

Horizon 2020

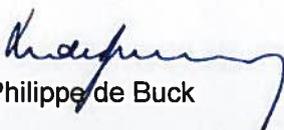
EU governments spend ten times more servicing debt than funding research and innovation. This has to change. To show that growth-enhancing measures and budget consolidation can go hand in hand, the Competitiveness Council must secure the proposed budget of € 80 billion for Horizon 2020.

Moreover, to maximise industry participation in projects, the Competitiveness Council should foresee sufficient levels of reimbursement rates for eligible costs and real simplification of procedural rules. BUSINESSEUROPE suggests considering at least 35% of total funding in Horizon 2020 as a yardstick for adequate involvement of the business sector.

Last but not least, the principle of open access to scientific information must not interfere with the protection of intellectual property rights and be applied on a voluntary basis. Working in a research consortium in which one member gives open access to its scientific data must not oblige other members from this consortium to do the same.

European business relies on the Competitiveness Council's decisions to create the conditions for companies to be successful. We count on the Cyprus Presidency to encourage the Commission to implement an ambitious Single Market Act II, and ensure that all EU policy proposals are consistent with the aim of developing European industry and fostering entrepreneurship as an engine for growth and employment.

Yours sincerely,



Philippe de Buck

Enclosure: 1